

PROOF OF CLAIM

Name of Debtor Debit Corporation of America, Inc.		Case Number 04-14360 - BKC - AJC		IMPORTANT: THIS CLAIM FORM SHOULD ONLY BE USED BY THE CREDITOR WHOSE NAME IS PRINTED ON THIS CLAIM FORM.
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. (See Local Rule 3001-1(B))				
Name of Creditor (The person or other entity to whom the debtor owes money or property): John Kelley Name and Address where notices should be sent: John Kelley 20620 Windemere Dr. Macomb MI 48044-3532 Telephone Number: <u>586-412-1776</u>		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input checked="" type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.		
Account or other number by which creditor identifies debtor: (If SS# only list last 4 digits of SS#):		Check here if <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated <u>JUN</u>		
1. Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other <u>FRAUDULENT BUSINESS PRACTICE</u>		2. Date debt was incurred:		
3. If court judgment, date obtained:		4. Total Amount of Claim at Time Case Filed: \$ <u>9000</u> + _____ + _____ = <u>\$9000</u> (Unsecured Nonpriority) (Secured) (Unsecured Priority) (Total)		
Complete items 5, 6, and 7 (as applicable) to further describe the amount(s) you indicated in item 4. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.				
5. Secured Claim. <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at the time the case was filed included in secured claim, if any: \$ _____		7. Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured priority claim Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,925)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6). <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). *Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after date of adjustment.		
6. Unsecured Nonpriority Claim \$ <u>9000</u> — <input checked="" type="checkbox"/> Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority.		8. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.		
9. Supporting Documents: Attach legible copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. Supporting documents should not exceed 5 pages (See reverse for instructions)		10. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim. Research and/or copy charges will apply for future copy requests of claims.		
Date <u>5/24/04</u>	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): <u>John Kelley</u>			
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.				

May 24, 2004

Judge A. Jay Cristol
U. S. Bankruptcy Court
Southern District of Florida
51 SW 1st Avenue Room 1517
Miami, FL 33130

Dear Judge Cristol:

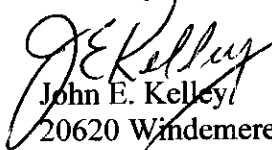
In May of 2003 I entered into a business arrangement with Debit Corporation of America to sell Master Card debit cards in Macomb County, Michigan. I was advised up front that I would be the first sales person to engage in the selling of the debit cards in my area. I forwarded a check in the amount of \$9500 and in return, I received approximately \$600 worth of equipment (TVs, Promotional stands, literature, etc.)

Part of the business arrangement included my allowance to purchase debit card coupons from DCA and then sell them to the public for a profit. Soon after I started, I learned that "other" debit card companies were entering my sales market and, at first, selling the debit cards at a much lower price, and then eventually, making the cards available for free. I notified DCA several times, through conversations with Controller Harvey Wahl in the Miami office, and through letters I sent to the company. I informed them that I could not compete in a market where the product was being "given away". Their answer was to attempt to sell the debit cards away from my home area, where they would not be available for "free". I try several times to contact company representatives to inform me where such a sales area existed, but could never reach anyone, and no one would return my phone calls. Now the company has filed for bankruptcy, and cannot fulfill their obligations under our agreement (to provide me with product). Therefore, I can't operate as a sales representative and make a profit, and must seemingly forfeit the money I invested.

I feel that Debit Corporation of America should reimburse me a portion of my investment of \$9500. This only seems fair in light of all the current circumstances. I would be willing to accept \$8000 in full settlement of this issue.

I will be happy to provide any further information you request.
Thank you for your assistance in this matter.

Sincerely,


John E. Kelley
20620 Windemere Dr.
Macomb, MI 48044

Phone: (586) 412-1776

Enclosures

PURCHASE ORDER
DEBIT CORPORATION
OF AMERICA, INC.

3475 Sheridan Street, Suite 215F, Hollywood, FL 33021
Phone: (954) 981-4447 • Fax: (954) 981-4421
Toll Free: (800) 468-3213 • Fax: (800) 468-1836

ID# 003500
County MACOMB - OAKLAND

Purchaser's Name John E. Kelley Date 04-18-03
Purchaser's Address 20620 Windermere Dr.
City Macomb Twp. State Michigan Zip 48044
Home Phone (586) 412-1776 Business Phone cell 586 383-0923

No. of Sales
Systems to ship: 3

Face Value of Prepaid MasterCard
Activation Certificates to ship: \$ 3000

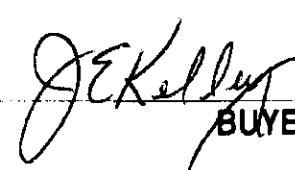
Purchase Price Sales Systems	\$ <u>9,500.⁰⁰</u>
Purchase Price of Additional Items	\$ <u>N/C</u>
Total	\$ <u>9,500.⁰⁰</u>
Sales Tax (FL Residents Only)	\$ <u>N/C</u>
Amount Paid	\$ <u>9,500.⁰⁰</u>

Special Provisions Purchaser can buy additional sales systems AT \$1500 each
Sending check #4398 for \$9500.00

Purchaser acknowledges the receipt of all Disclosure Documents of Seller ten (10) business days prior to acceptance and deposit of funds and that **this sale is subject to the terms on the reverse of this Purchase Order.**

ACCEPTED AND APPROVED

By: 
COMPANY OFFICER

By: 
BUYER

AIN # BO2403

I have read and agree to the Terms and
Conditions on the back of this Purchase Order.

TERMS AND CONDITIONS

The Seller agrees to sell and the Buyer agrees to buy the equipment and/or product described on the reverse at the price described on the following terms and conditions.

1. The Seller agrees to ship the equipment and/or products within forty-five (45) days from receipt of this Purchase Order accompanied by full payment. Delivery shall be subject to and contingent upon strikes, labor difficulties, fire, storm delay or defaults of common carriers, failure or curtailment in Seller's usual source of supply, government decrees or orders, or any other delays beyond the Seller's reasonable control, and the Seller shall not be liable for any loss or damage arising therefrom. Buyer may cancel the order by written notice delivered to Seller prior to the shipment if the order is not delivered within forty-five (45) days of receipt of the Purchase Order and payment from the Buyer. Title to the product and/or goods shall not pass to the Purchaser until total due is paid in full. Products and/or goods purchased are for a business purpose. Delivery and location of displays and/or products are Purchaser's responsibility, and all products and/or goods are F.O.B. company warehouse.
2. The manufacturer guarantees to replace, or at its option, repair any products or parts thereof which are found to be defective in material or workmanship within one (1) year from the date of purchase except for the video component, 90 days for labor, and 2 years for picture tube. The obligation with respect to such products shall be limited to replacement or repair F.O.B., Manufacturer, and in no event shall the Seller be liable for consequential or special damages, or for transportation in connection with such products or parts. This warranty is expressly made in lieu of all other warranties express or implied, including the warranties of merchantability and fitness.
3. This Purchase Order is intended by the parties as a complete and final expression of the entire Purchase Agreement between the parties and as a complete and exclusive statement of its terms. Both the front and back of the Purchase Order have been read and agreed to by Purchaser and Purchaser hereby acknowledges he/she has done so with a clear understanding of this Purchase Order and all of its terms and provisions. Purchaser has been given the opportunity to have an attorney review this document. Buyer understands and agrees that Seller offers no buy-backs, money back guarantees, or refunds. Buyer agrees that he/she is not relying upon any verbal or written representations whatsoever, except as expressly set forth in this Purchase Order. Buyer acknowledges and agrees that Seller does not guarantee or represent that the units when installed, will guarantee any minimum earnings as the earnings from them are rendered by the Buyer, all of which factors are beyond the control of the Seller. This Purchase Order can only be modified in writing, signed by the parties, or their duly authorized agents. Deposits are not refunded if approved for distributorship. Seller reserves the right to modify and upgrade changes in packaging and product content for the betterment of the product line.
4. Any dispute under this Purchase Order shall be settled by arbitration before the American Arbitration Association of South Florida in accordance with their rules and procedures. Judgement on the award of the American Arbitration Association may be entered in any Court of competent jurisdiction. Interpretation of this Purchase Order shall be determined by the laws of the State of Florida. Exclusive venue for the resolution of disputes shall be in Miami-Dade County, Florida.
5. Any action arising out of this Purchase Order shall be appealed to the Third District Court of Appeals in the state of Florida. Any action taken in federal court pertaining to or arising under this Agreement, shall be to the United States District Court for the Southern District of Florida.
6. In the event that either party to this Purchase Order (Agreement) is required to utilize the services of an attorney to enforce or defend or interpret any of the provisions hereof, or because of any alleged default in any representation, covenant, indemnity or provision of the Purchase Order, or for any other reason whatsoever, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorney's fees through all proceedings, trials, appeals or arbitration.
7. Seller will provide Purchaser with items as herein provided for the specified price as determined. Seller shall ship F.O.B. company warehouse to the Purchaser's address as stated herein. In addition, Seller will give Purchaser an opportunity to purchase additional products upon request by Purchaser.
8. Seller agrees to appoint and maintain during the term of this Agreement an agent for the receipt of service of process within the State of Florida with respect to any action arising out of or based upon the relationship between the Seller and Purchaser. Seller's agent for service at the present time is Jack Gordon, 3475 Sheridan Street, Suite 215F, Hollywood, FL 33021. Seller reserves the right to change its agent for service at anytime and will provide written notice to Purchaser if such an event occurs prior to the completion of any sale.
9. Purchaser agrees and understands that any and all locations are the responsibility of the Purchaser and ultimately it is the Purchaser's responsibility to independently locate the units sold. Seller agrees to assist in scheduling appointments for the Buyer to help locate units sold.
10. Purchaser agrees, understands and acknowledges that the relationship between Seller and Purchaser is that of a distributor and that a distributor is defined as a purchaser of goods from a seller.
11. Purchaser agrees to comply with all Federal, State and Municipal laws relating to their business, and will not engage in any intentional unlawful or illegal trade practices or business activity.
12. Purchaser shall be responsible for all Federal, State and Local taxes as well as all licenses required to do business and shall act as an independent contractor in all matters concerning Purchaser's business.
13. It is acknowledged by Purchaser that this is not a franchise offering nor a security offering and involves only the purchase of products. Purchaser is free to sell any items in the displays and/or vending machines and does not have to purchase such items at any time from Seller.
14. This Purchase Order pertains to, and is intended to be an initial order. Additional purchases may have different terms and conditions.
15. Purchaser may cancel this Purchase Order for any reason by mailing written notice of same to Seller if and only if said notice is postmarked within five days of Seller's receipt of payment in full.
16. This is not a franchise sale.
17. Sales tax required on displays purchased by Florida residents.



**INDEPENDENT SALES AGENT
MARKETING AGREEMENT**

THIS AGREEMENT made by and between **DEBIT CORPORATION OF AMERICA, INC.**, the Independent Sales Representative, hereinafter referred to as **ISR (US)**, having its address at 3475 Sheridan Street, Suite 215F, Hollywood, Florida, 33021, and John E. Kelley, the Independent Sales Agent, hereinafter referred to as **ISA (YOU)**, having its principle office at: 20020 Windemere Dr. Macomb, Mich 48044

WITNESSETH:

WHEREAS, ISA (YOU), as an independent contractor of ISR (US), desires to use and market ISR (US) Stored Value Cards and/or Stored Value MasterCard EFT Services and related services and products (all as defined herein).

WHEREAS, ISR (US) provides Stored Value Card and Stored Value MasterCard Services to Customers, Employers and Organizations for the processing and settlement of Financial Transactions and ISA (YOU) desires to contract with ISR (US) solely for the purpose and in the capacity of an independent contractor of ISR (US) to market and distribute said services and products.

NOW, THEREFORE, in consideration of the mutual promises herein, it is mutually agreed by the parties hereto that ISA (YOU) will market and service Stored Value Card and/or Stored Value MasterCard Services for ISR (US) under the following terms and conditions:

ARTICLE I – CONFLICT IN TERMS OF AGREEMENTS

If a Purchase Order and ID Number have been executed and issued and the Terms and Conditions of said Purchase Order conflict with this Agreement, it is the Purchase Order that takes superiority and takes precedence.

ARTICLE II – DEFINITIONS

Section 1.1. Definitions. Except as otherwise specifically indicated, the following terms shall have the following meanings in this Agreement (such meanings to be applicable equally to both the singular and plural forms of the term defined):

Account Maintenance means the periodic fees charged to Payee(s) for services associated with maintenance of Virtual Accounts and other related services.

ACH means Automated Clearing House and refers to any financial transaction in which funds are removed from or added to a designed checking, savings or trust bank account electronically.

Association means VISA, MasterCard, and ATM Network or any successor organization.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA**

www.flsb.uscourts.gov

***** NOTICE *****

**This proof of claim contains attachments
which exceed the five (5) page limitation
pursuant to Local Rule 3001-1 (A)(3).**

Rule 3001-1 Proof of Claim.

(A)(3) Attachments: A proof of claim, including a proof based on a writing and filed pursuant to Bankruptcy Rule 3001(c), should not include more than 5 pages of attachments; however, the proof of claim must include a list or summary of any invoices or other omitted attachments that would have been included but for this page limitation. No original papers shall be attached. **Interested parties requiring copies of the entire instrument upon which liability is based for claims filed pursuant to Bankruptcy Rule 3001(c) shall submit a request directly to the claimant who, without further order of the court, shall provide copies to the requesting party.**